

## Message Text

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47

ACTION EB-07

INFO OCT-01 EA-07 IO-11 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

/098 W

----- 016953

R 081030Z JAN 76

FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC 4277

INFO MTN DELEGATION GENEVA 163

AMEMBASSY BANGKOK

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

LIMITED OFFICIAL USE SINGAPORE 0089

E.O. 11652: N/A

TAGS: ETRD, MTN, SN

SUBJECT: GSP FOLLOW-UP

REF: A) SINGAPORE 0074; B) STATE 305063; C) SINGAPORE 0049;  
D) STATE 303307

1. AMBASSADOR ON JANUARY 6 DELIVERED MODIFIED DENT LETTER  
(REFTEL B AND PREVIOUS ) TO MINISTER FOR FINANCE HON SUI  
SEN. COVERING LETTER FROM AMBASSADOR EXPRESSED EXPECTATION THAT  
GSP WOULD PROVE OF SIGNIFICANT BENEFIT TO SINGAPORE AND REI-  
TERATED DENT'S OFFER TO COOPERATE CLOSELY WITH GOS TO ASSURE  
REALIZATION OF GSP OBJECTIVES AND SUCCESS OF MTN.

2. HON EXAMINED LENGTHY LETTER ONLY IN CURSORY FASHION,  
ACKNOWLEDGING U.S. EFFORTS TO ACCOMMODATE SINGAPORE'S UNI-  
QUE TRADING POSITION. HE EXPRESSED APPRECIATION FOR OUR ENDEAVORS  
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IN THIS REGARD, BUT DID NOT INDICATE HOW, IF AT ALL, SINGAPORE

WOULD TAKE ADVANTAGE OF REVISED CUSTOMS REGULATIONS (SEE BELOW). AMBASSADOR THEN DREW HON'S ATTENTION TO POTENTIALLY MORE SIGNIFICANT AND LASTING TRADE LIBERALIZATION IMPACT OF A SUCCESSFUL MTN. IT WAS POINTED OUT TO HON THAT BOTH ON POLITICAL GROUNDS, AS WELL AS FOR REASONS OF EQUITY, CONCESSIONS IN MTN WOULD HAVE TO BE RECIPROCAL. HON PROTESTED THAT SINGAPORE HAD LITTLE TO OFFER IN RETURN FOR ANY BENEFITS IT MIGHT DERIVE FROM MTN SINCE GOS TRADING REGIME IS ALREADY VERY LIBERAL. ESSENTIAL VERACITY OF THIS STATEMENT WAS KNOWN (REF C), AMBASSADOR NOTING, HOWEVER, THAT RECIPROCAL CONCESSIONS WOULD BE EXTREMELY IMPORTANT EVEN IF ONLY TOKEN IN NATURE. HON APPEARED TO UNDERSTAND POINT AND ASKED FOR SUGGESTIONS, NOTING WISTFULLY THAT CONCESSIONS WOULD BE MUCH EASIER IN CONTEXT OF AN ASEAN COMMON MARKET'S COMMON TARIFF (WHICH WOULD BE CONSIDERABLY MORE PROTECTIVE THAN CURRENT SINGAPORE TARIFF SCHEDULE). AMBASSADOR NOTED THAT A NUMBER OF U.S. PRODUCTS COULD BENEFIT FROM REDUCED SINGAPORE DUTIES AND CITED SPECIFIC INSTANCE OF SPORTING GOODS AND EQUIPMENT.

3. DEPARTMENT OF TRADE OFFICIALS ON JANUARY 7 INFORMED EMBASSY OFFICERS THAT FOUR ESTABLISHED FREE TRADE ZONES ARE NOT NOW POSITIONED TO PERMIT SINGAPORE TO TAKE ADVANTAGE OF REVISED CUSTOMS REGULATIONS SINCE THEY ARE RELATIVELY SMALL IN AREA AND HANDLE ONLY DUTIABLE GOODS. (MOST GSP-ELIGIBLE ITEMS WHICH UNDERGO ENTRPOT PROCESSING HERE ARE NOT DUTIABLE.) EMBASSY OFFICERS INDICATED THAT IT IS UP TO GOS TO DECIDE IF AND HOW IT WILL ADJUST ITS OPERATIONS. EMBASSY OFFICERS MADE CLEAR, HOWEVER, THAT BROAD DEFINITION OF FREE TRADE ZONE IN REGULATIONS AS WELL AS NUMEROUS OPERATIONS WHICH CAN BE PERFORMED WITHIN SUCH AREAS APPEAR TO PROVIDE CONSIDERABLE LATITUDE. OUR INTERLOCUTORS SAID THEY ARE AWARE OF THIS AND AGAIN EXPRESSED OFFICIAL APPRECIATION. WHILE NOTHING HAS YET BEEN DONE TO ADAPT SINGAPORE OPERATIONS TO FREE TRADE ZONE PROVISION, WE WERE TOLD THAT POSSIBLE STEPS ARE NOW UNDER CONSIDERATION, BUT THAT THESE WOULD HAVE TO OVERCOME CERTAIN BUREAUCRATIC HURDLES.

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4. DEPARTMENT OF TRADE IS PLANNING FEBRUARY SEMINAR ON U.S. GSP FOR LOCAL BUSINESS COMMUNITY. THIS WILL ESSENTIALLY BE A PR EXERCISE SIMILAR TO SEMINARS HELD AT TIME EC AND JAPANESE PREFERENTIAL SYSTEMS WERE INAUGURATED. EMBASSY OFFICERS EXPRESSED WILLINGNESS TO PARTICIPATE IN APPROPRIATE FASHION. IT OCCURS TO US, HOWEVER, THAT PARTICIPATION OF QUALIFIED WASHINGTON

OR GENEVA-BASED PERSONNEL (IF IN REGION ON OTHER  
BUSINESS) COULD LEND SEMINAR ADDITIONAL AUTHORITY.  
ACTION REQUESTED: PLEASE ADVISE IF SUCH PARTICIPATION  
IS A POSSIBILITY, AS WELL AS PREFERRED TIMING, AND WE  
WILL ATTEMPT TO FIRM-UP SUITABLE ARRANGEMENTS HERE.  
HOLDRIDGE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DIPLOMATIC COMMUNICATIONS, GENERALIZED PREFERENCES (TARIFFS), FREE TRADE AREAS, DIPLOMATIC DISCUSSIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976SINGAP00089  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760006-0991  
**From:** SINGAPORE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760175/aaaacovy.tel  
**Line Count:** 121  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 SINGAPORE 74, 76 STATE 305063, 76 SINGAPORE 49  
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**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006